Large-Scale Land Acquisition trends, Globally and in Africa

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Outline

1) **Large-scale land acquisitions globally and in Africa – State and features**

   Quantitative, based on the Land Matrix and other available data

2) **Implications, trends, practices…**

   Qualitative, based on the main literature

Large-scale land acquisitions, globally and in Africa

– State and features

LSLA globally

	# deals	ha intended	ha under contract
Oral agreement	66	3.7	1.1
Contract signed	804	50.8	30.6
concluded deals	**870**	**54.5**	**31.8**
Expression of interest	42	5.5	n.a.
Under negotiation	144	9.1	n.a.
Intended deals	**186**	**14.6**	**n.a.**
Negotiations failed	50	5.3	n.a.
Contract cancelled	24	1.6	1.5
Failed deals	**74**	**6.9**	**1.5**

LSLA globally

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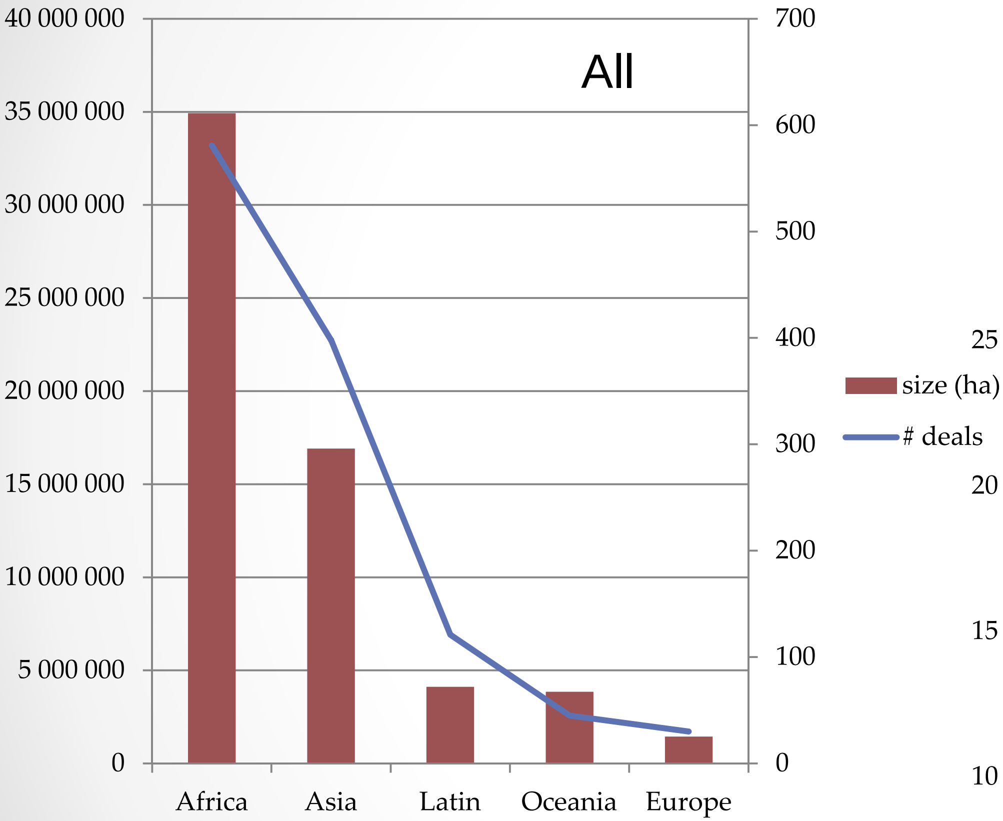
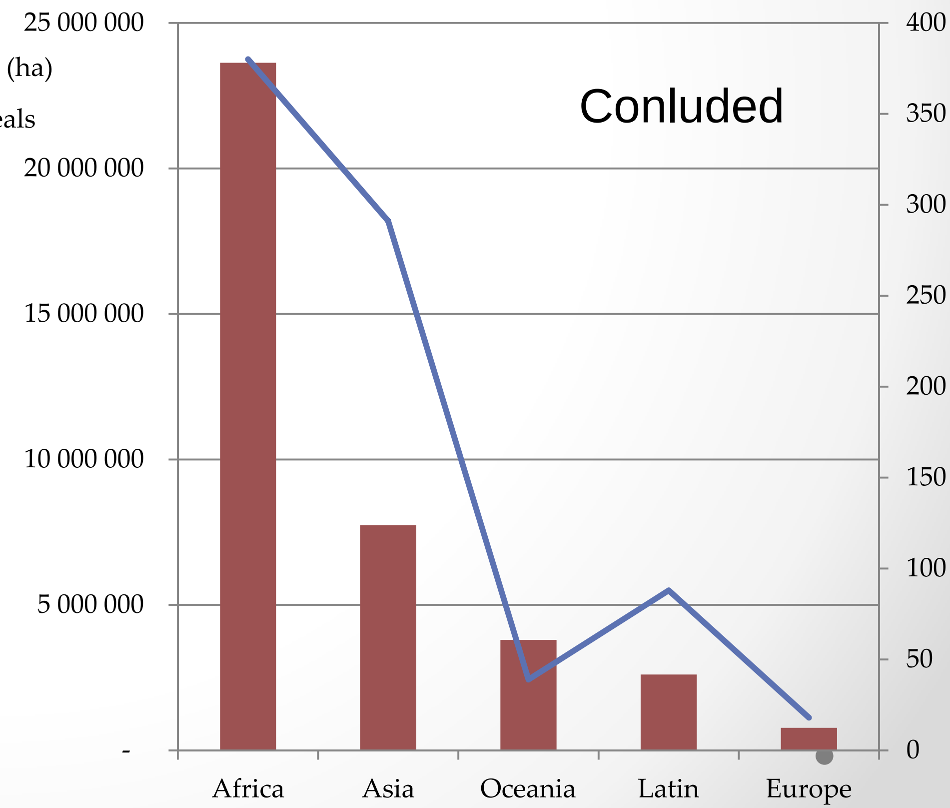
+115

+41

+24

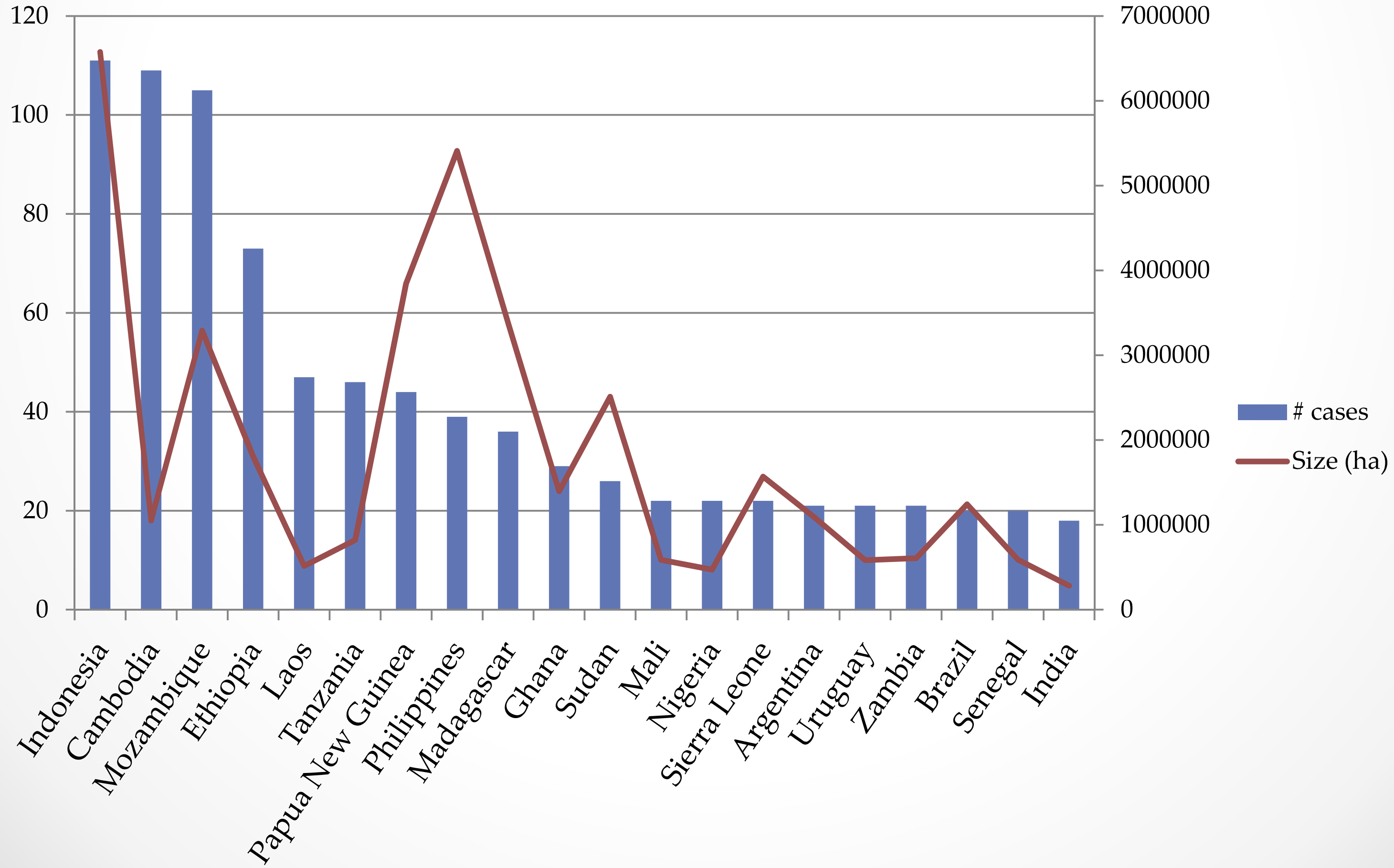
African countries are among the most affected in the world





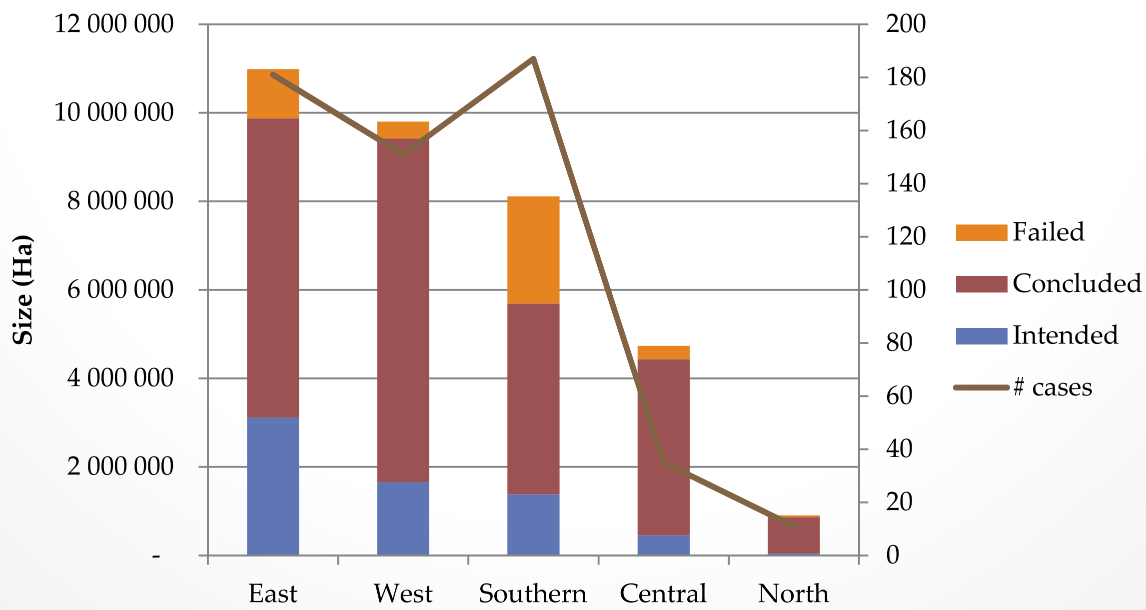
African countries are among the most affected

- Important concentration – top 20 countries, 74% deals, 80% size
- Top 20 – 9 African countries



African countries – in particular east African ones - are among the most affected

	Intended		Concluded		Failed		TOTAL	
	# cases	Size (ha)	# cases	Size (ha)	# cases	Size (ha)	# cases	Size (ha)
Central	11	454 406	23	3 979 344	1	300 000	35	4 733 750
East	39	3 115 102	122	6 763 774	20	1 108 074	181	10 986 950
North	2	45 000	8	819 952	1	40 000	11	904 952
Southern	45	1 382 271	114	4 305 144	28	2 426 005	187	8 113 420
West	31	1 656 237	113	7 762 817	7	382 292	151	9 801 346
TOTAL	128	6 653 016	380	23 631 031	57	4 256 371	565	34 540 418



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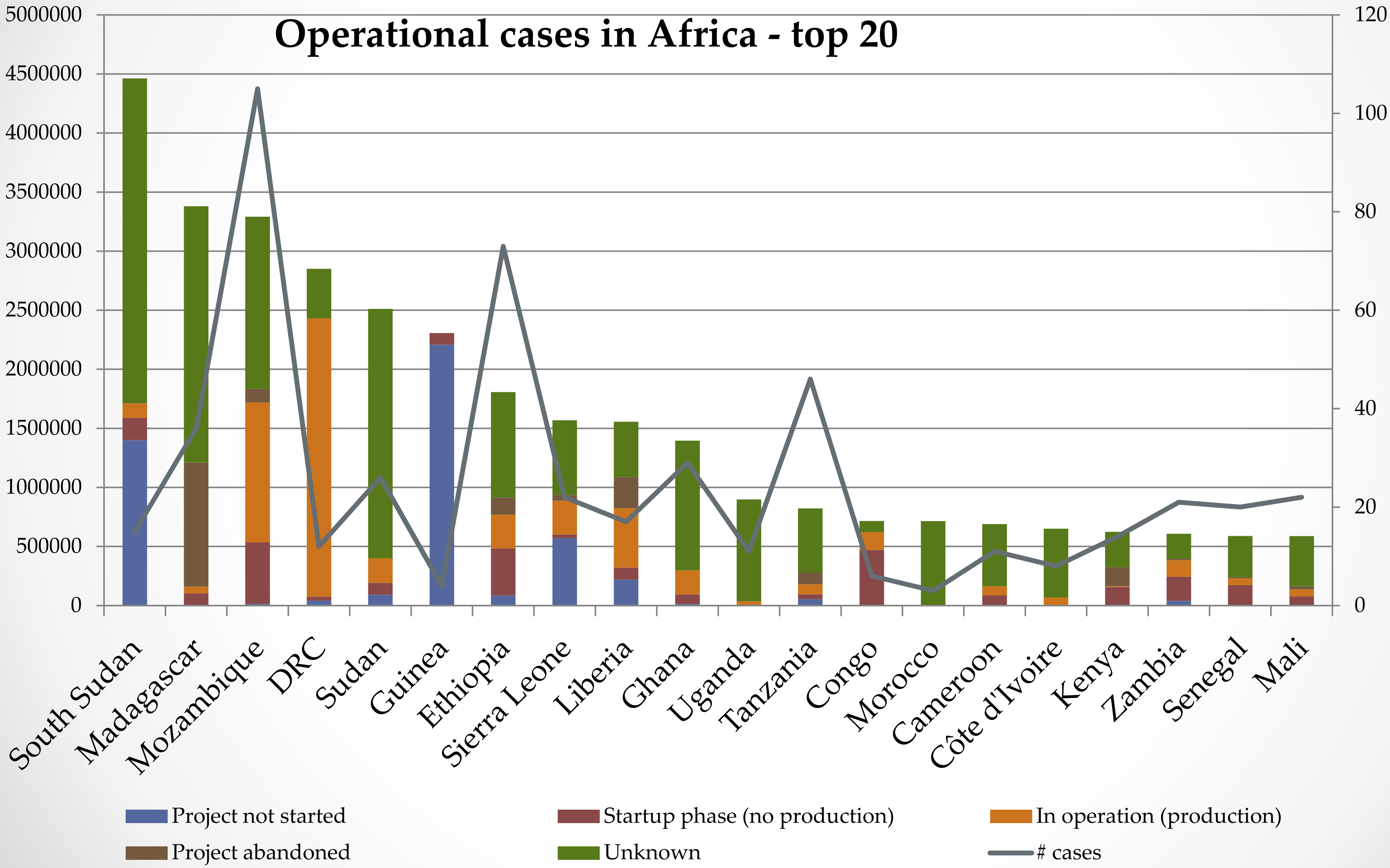

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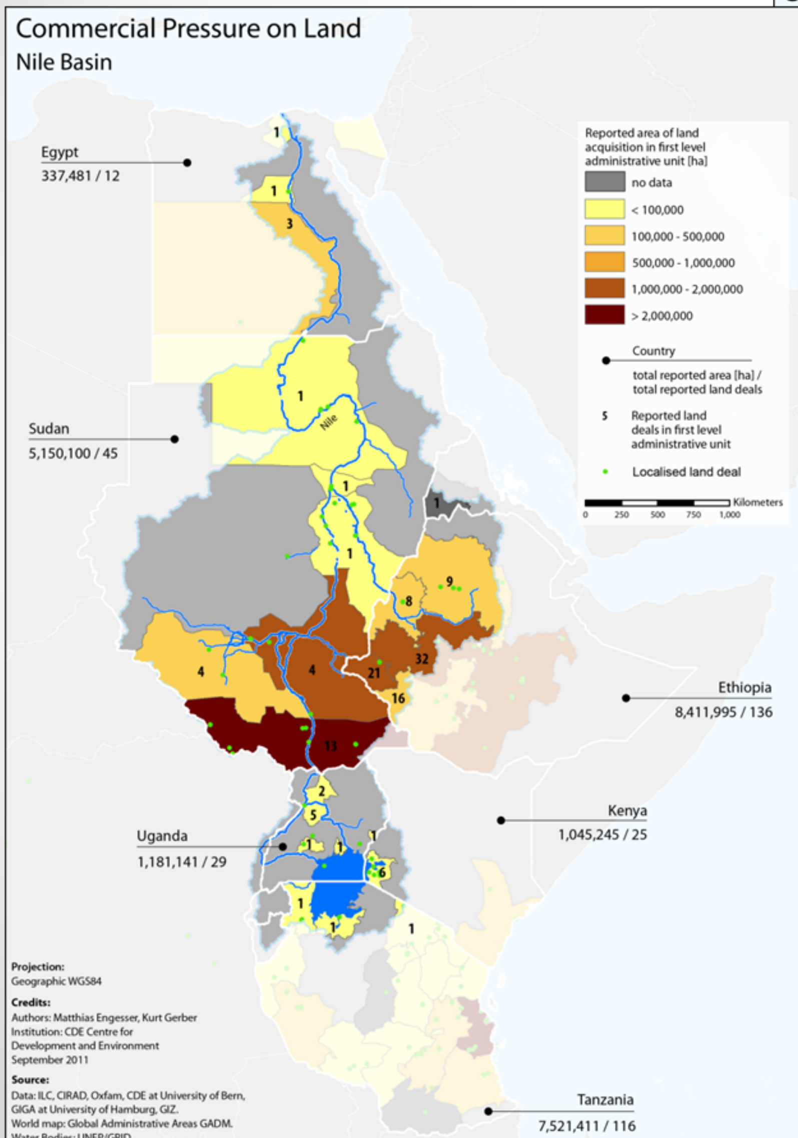
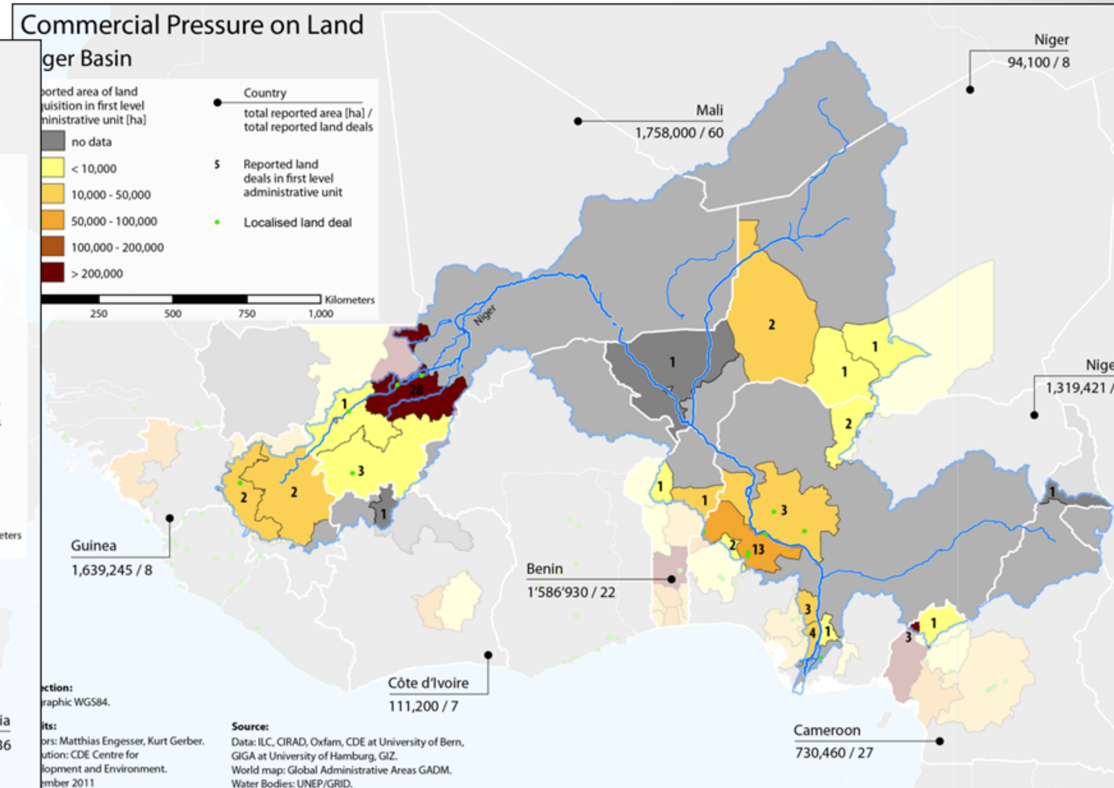
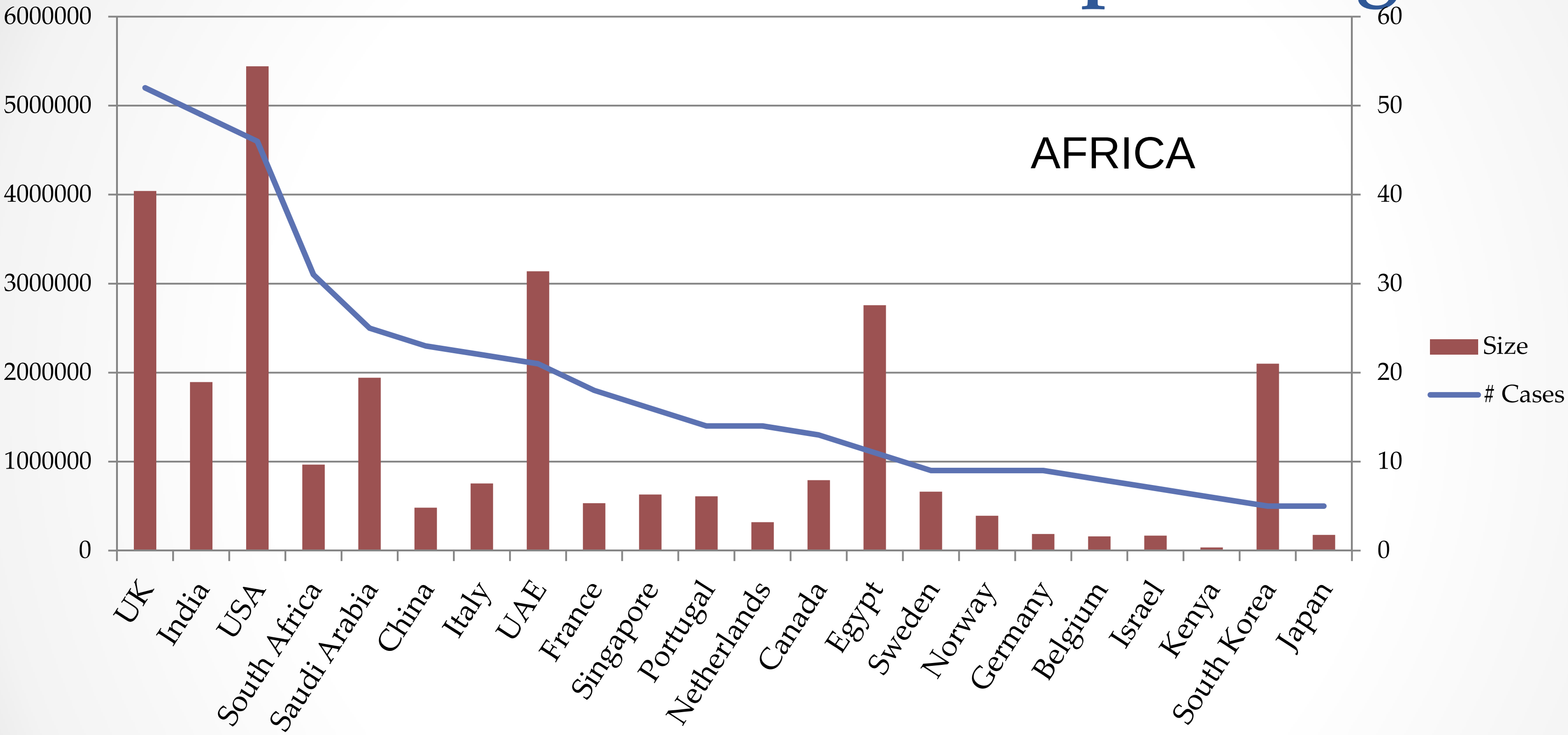


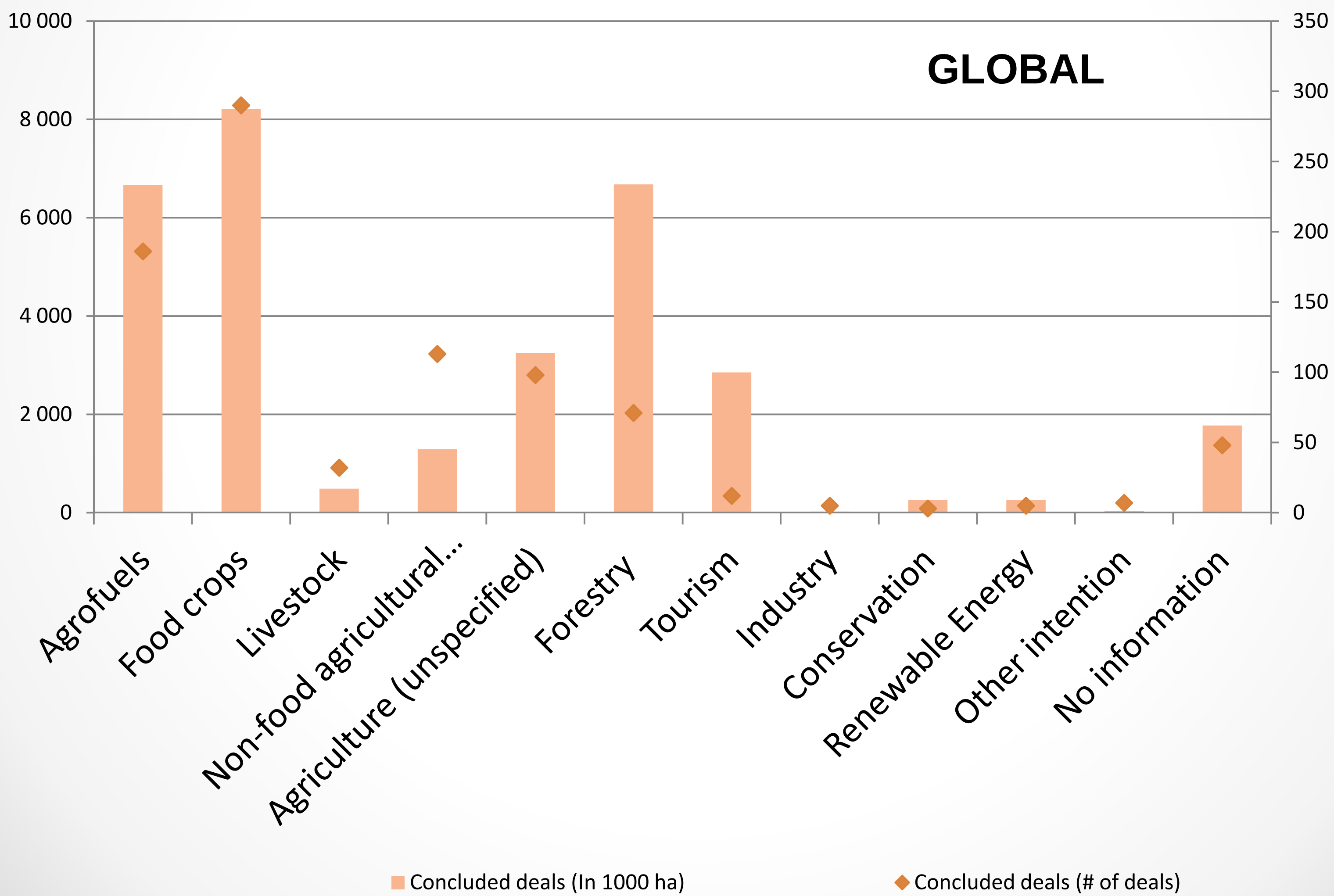


Western countries are still the main investors in Africa, Emerging and Middle Eastern countries are upcoming



North	West	Central	East	Southern
Saudi Arabia	UK	USA	Egypt	South Korea
UAE	India	Malaysia	UAE	South Africa
South Africa	Italy	Canada	USA	UK
Japan	Liberia	Singapore	Jordan	Brazil
-	France	Belgium	Saudi Arabia	India

The rush for land is triggered by a wide range of drivers, food becoming a main driver



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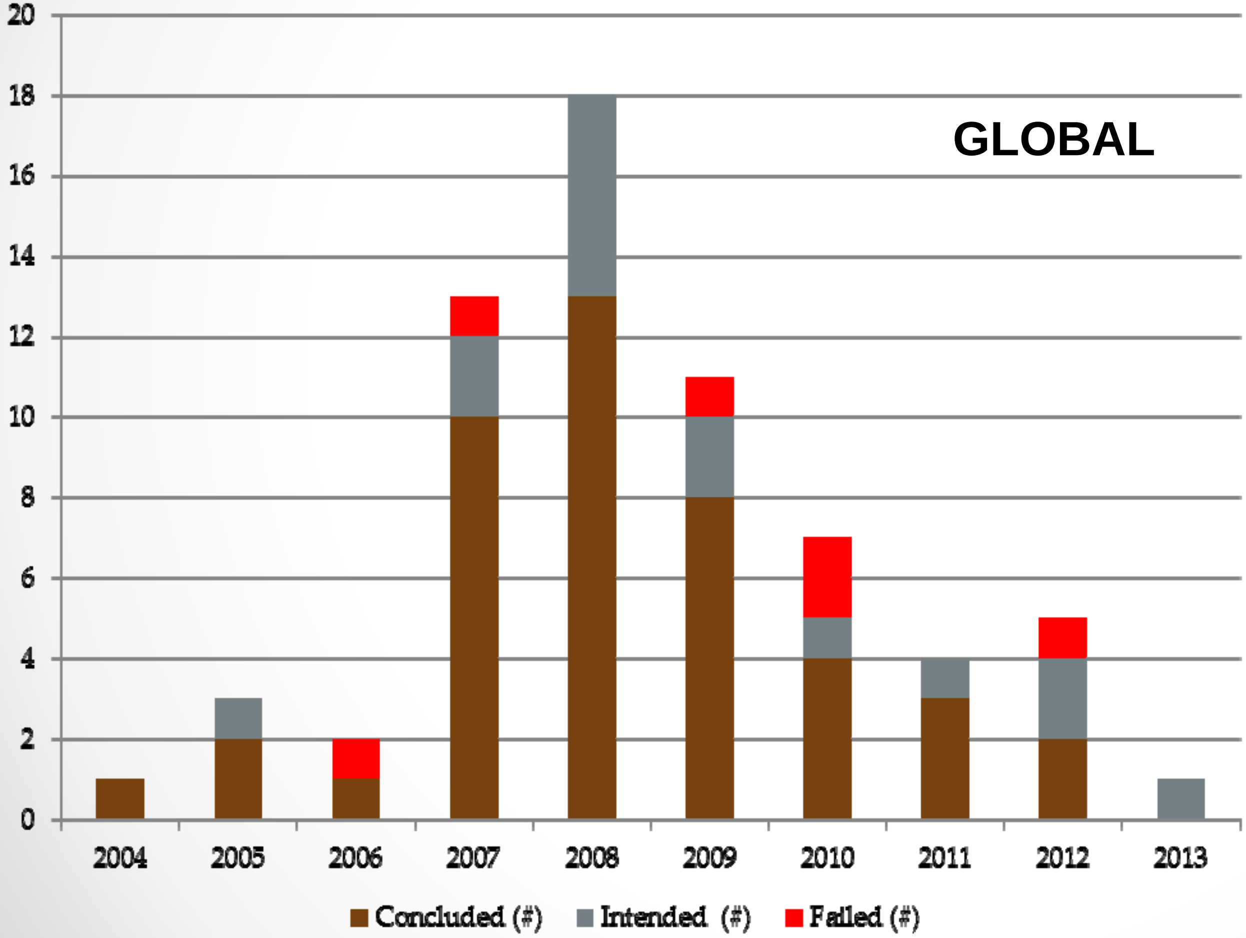

Jatropha hype for pure and mixed biofuel deals - Data as of 1 November, 2013

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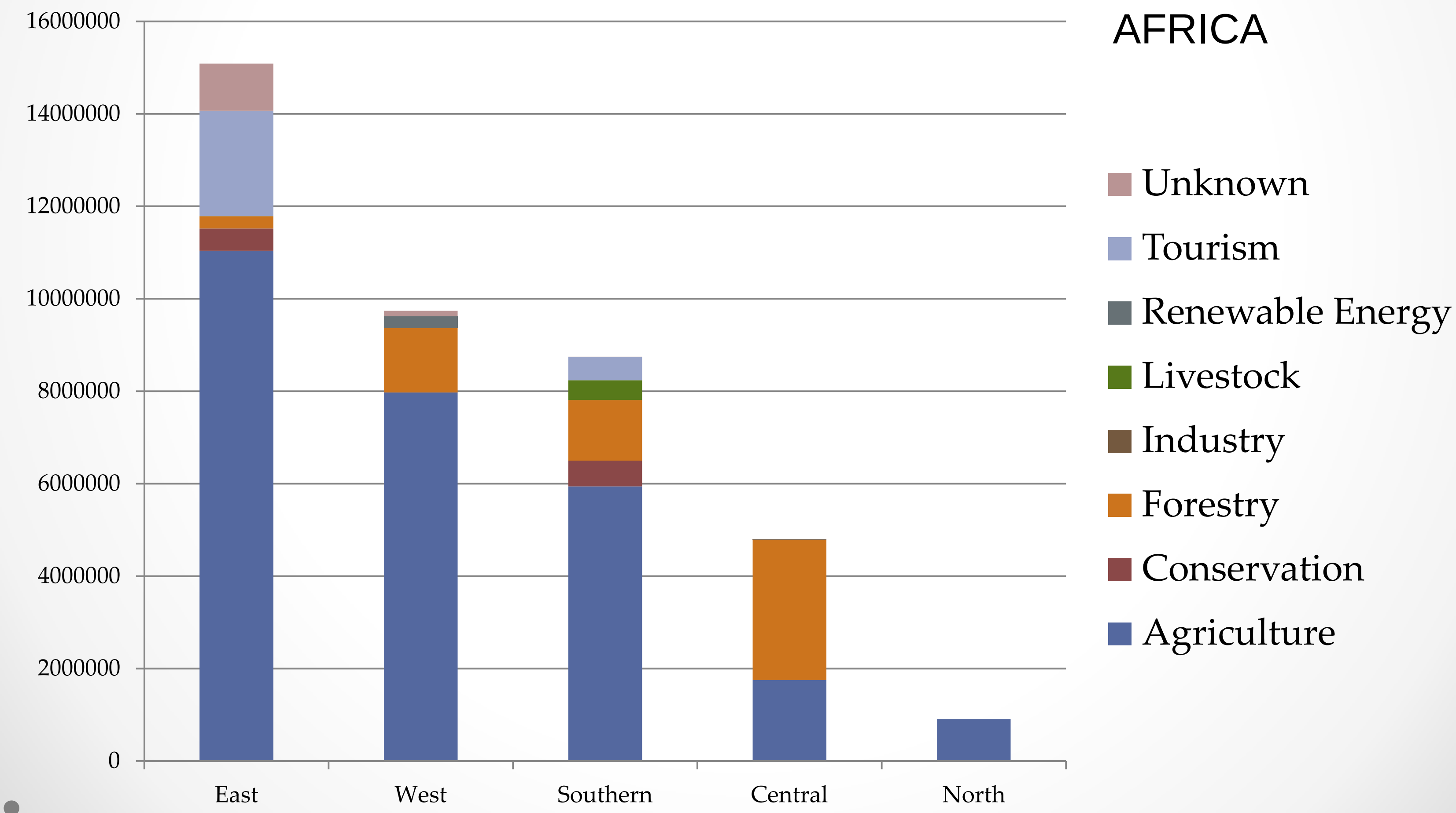
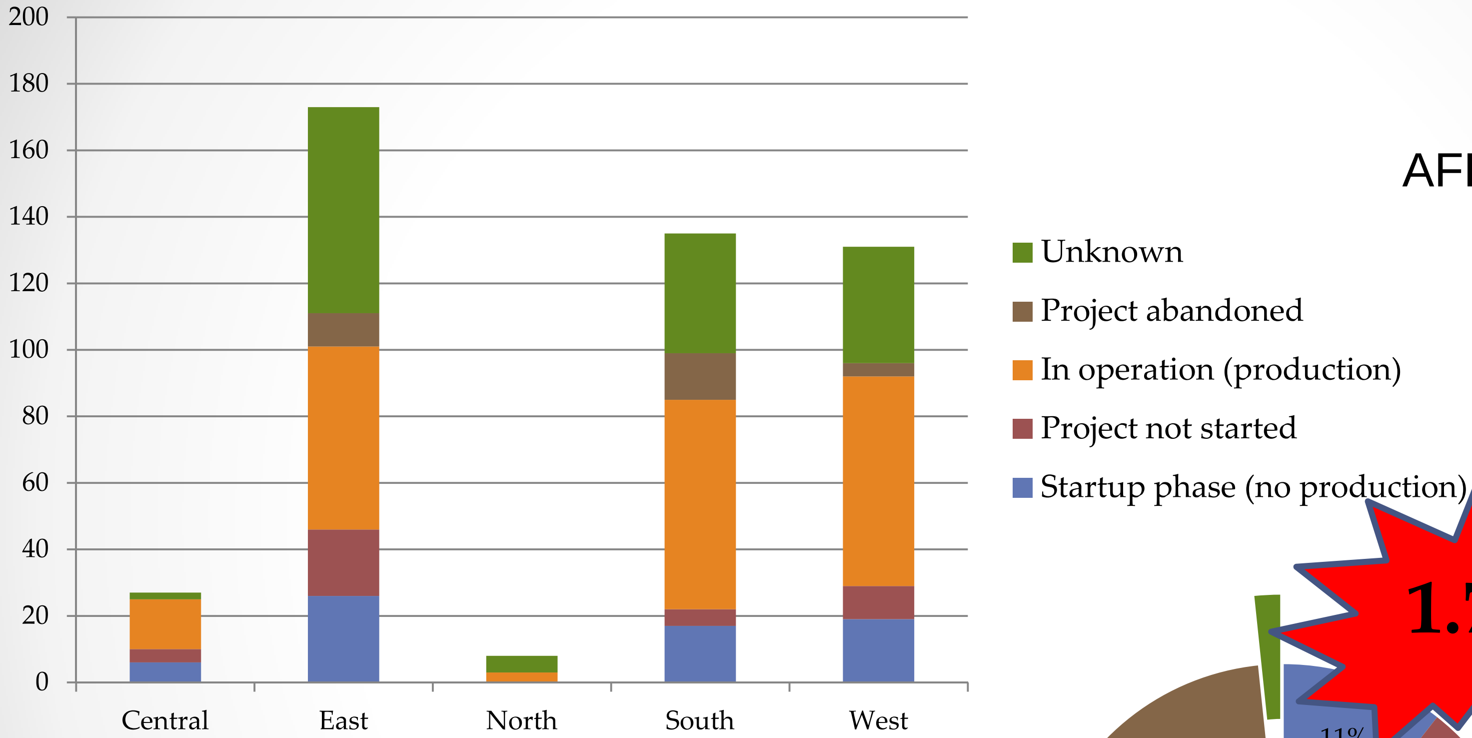
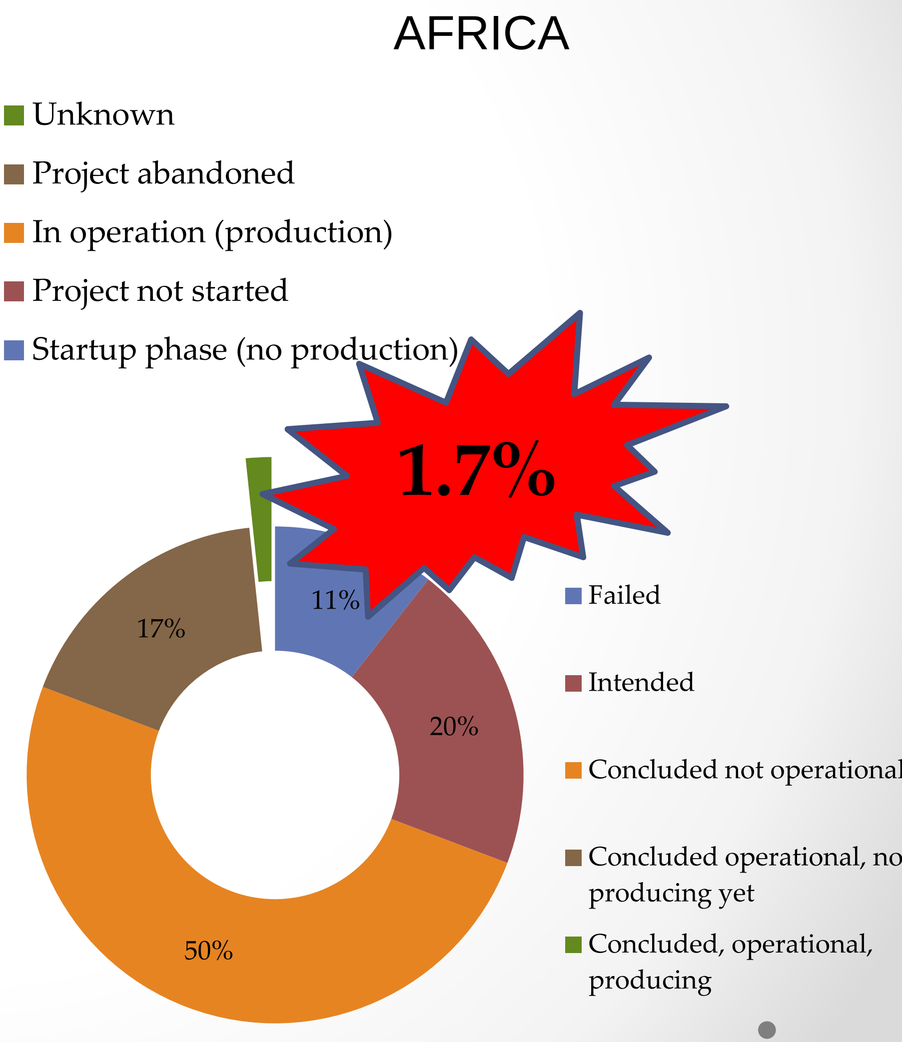


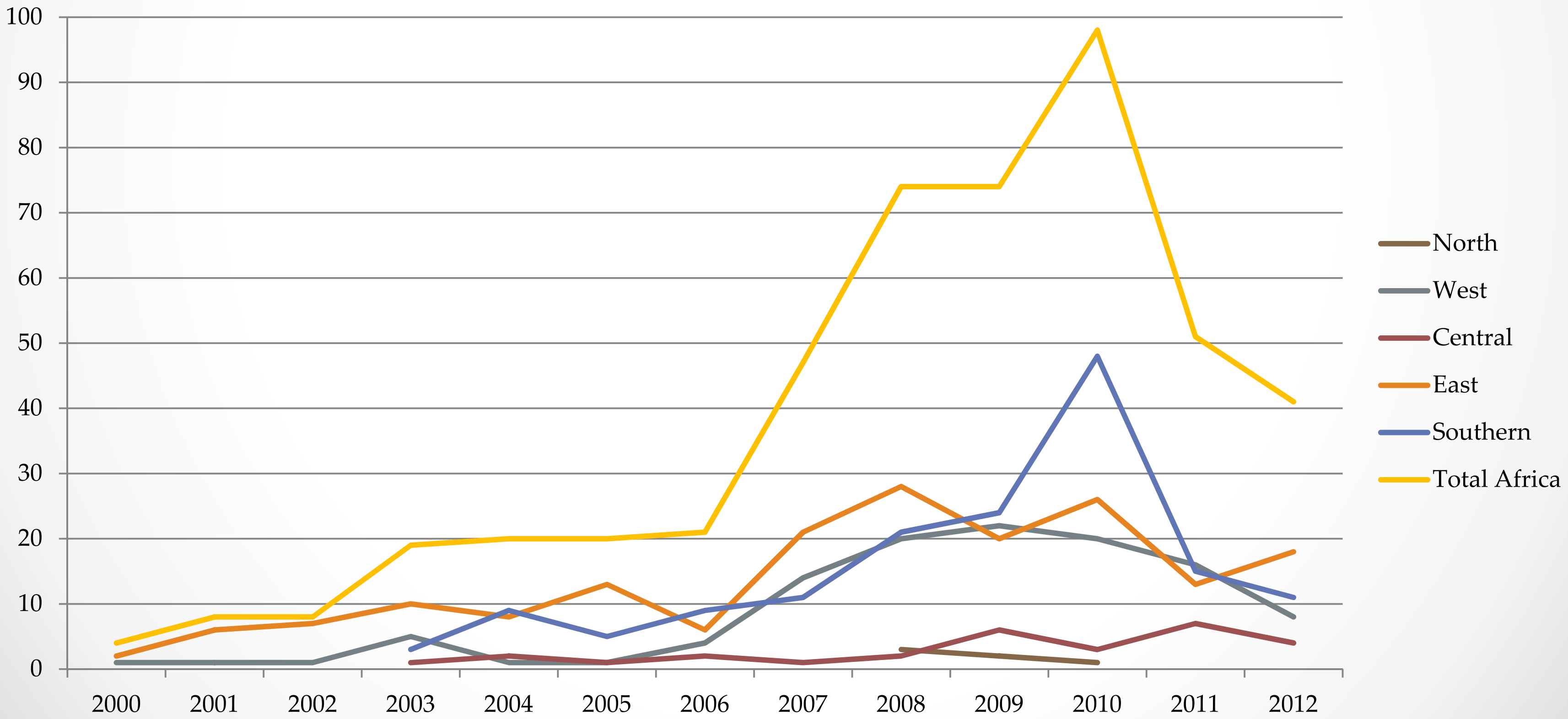
Little effective production





Slowing down overall, but evidence of long-term trend of growing commercial interest in land

Reasons: Credit crunch, high failures, less media focus, civil awareness, countries are getting better preapred



Implications, investment models and agrarian change – Towards new opportunities for Africa?

Different LSLA with different outcomes

Independent farmer model	Associative farmer model	Cooperative farmer model	Speculative 1000-day model	Asset management and Investment funds model	Nucleus estate model	Agribusiness Estate model

High failures

- *Uncertain institutional environments and the difficulty of doing business*
- *Technicality of the projects*
- *The lack of markets*
- *Lack of financial services*
- *High settling and transaction costs*

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Strategy change

Increased integration

- *To overcome high risks related to settlement in less developed agrarian economies*
- *Focus on core business*

Few inclusive models

Implications for agrarian development and restructuration

- Corporization of agriculture
- Closed value-chains and foreign powers
- Concentration and dualization within the agricultural sector
- Proletarization of the agricultural society

Towards more equitable LSLBI in Africa? Initiatives and lessons learned…

1. Policies and governance
   1. Investment policies
   2. Land policies
2. Transparency
   1. Liberia decided to publish the land allocation contracts
3. Monitoring instruments
   1. Ex: Cameroun Land Observatory
4. Challenging investment protection regimes, with some countries terminating BITs (Cotula, 2013).
5. Development of more inclusive instruments
   1. Inclusive Business Models (Contract farming, outgrower schemes)
   2. Community Partnership Programmes
6. Better international and continental guidance
   1. *VGs, RAI, AU Declaration on Land, Framework and Guidelines for Land Policy in Africa (F&G)*

Towards more equitable LSLA in Africa? Initiatives and lessons learned

- Instruments/policies/initiatives are to be promoted
- They remain very limited
  - o In scope
    - Very few countries/initiatives
  - o In effect
    - Few are effectively implemented
    - Many are voluntary
    - Very little enforcement
- Danger of legitimising LSLA as sole model

Concluding thoughts

- Agrarian change in Africa?
  - Yes, probably
  - Very little # - With very few 'positive' results
  - But enduring model/paradigm – tipping point
    - Long term marginlisation…
    - Externalisation of norms and regulatory mechanisms
    - …
  - Change not there where expected/announced, by the promotors of LSLA

- Lack of LT reflection, "alternative" development trajectories
  - Inclusive of sectors and actors
  - Roles of different actors

Thank you

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